

CORRECTED FISCAL NOTE

SB 2449 - HB 2861

March 29, 2004

SUMMARY OF BILL: Allows students pursuing technical training to qualify for lottery scholarships if they achieve an overall high school grade point average of 3.0 and a 3.0 in the technical preparation curriculum. The bill establishes the same GPA requirements for the technical preparation curriculum as is required for the college core curriculum.

ESTIMATED FISCAL IMPACT:

On February 3, 2004, we issued a fiscal note on this bill indicating an estimated impact of *a not significant increase in lottery funds earmarked for lottery scholarships and grants*. Based on additional information provided by the Tennessee Higher Education Commission (THEC), the estimated fiscal impact is as follows:

(Corrected Fiscal Note)

Other Fiscal Impact - Increase in Lottery Funds Earmarked for Lottery Scholarships and Grants - \$14,200,000

According to THEC, original calculations of lottery scholarship costs developed for the bill that became Chapter 298 of the Public Acts of 2003 were based on all high school students with a 3.0 overall GPA or 19 ACT/890 SAT. At that time, the number of students in the technical track could not be accurately identified. Therefore, students who graduated in the technical core curriculum were included among those high school graduates considered eligible for the lottery scholarship and were included in the original cost projections. However, Chapter 298 of the Public Acts of 2003 did not include those students who graduated in the technical core curriculum. Therefore, the original estimates were overstated by approximately \$14,200,000. The original fiscal note on SB 2449 / HB 2861 was erroneously based on those overstated estimates.

Under this bill, including these students as eligible for the HOPE scholarship would result in an increase in lottery funds earmarked for lottery scholarships and grants of approximately \$14,200,000 over current law. This estimate is based on the following:

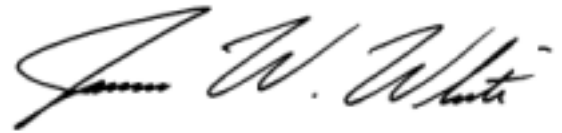
- In 2003, an estimated 14,555 high school graduates were in the technical path.

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- It is anticipated that a number of technical track students will not receive the minimum score of 19 on the ACT, but will qualify for the scholarship under the bill by meeting the GPA requirements.
- Utilizing the same projection models as those used by THEC in Chapter 298 of the Acts of 2003, it is estimated that when these additional students are added to the model, total year-one technical track students (freshmen and sophomores) equal 4969 students, resulting in approximately \$14,200,000 in increased costs to the lottery fund.

CERTIFICATION:

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink, appearing to read "James W. White". The signature is fluid and cursive, with the first name "James" written in a smaller, more compact script than the last name "White".

James W. White, Executive Director